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Assessing the impact and benefits of XBRL use
for the collection of statistical data in the
European Statistical System

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Structure of the presentation

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- Main problems
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Overall context of the XBRL project (1)

- Creation of a common ECB – Eurostat task force on accounting and statistics in 2001
- Mandate of the task force:
 - ☞ Clarify linkage between IAS and statistics
 - ☞ Coordinate projects on accounting and statistics in MS
 - ☞ Consider impact of IAS application
 - ☞ Study the use of XBRL for retrieving statistical data
 - ☞ Influence accounting standards for the benefit of statistics
- Reduction of burden on enterprises – EU Council 03/2003
- Communications from the Commission on better regulation and reduction of burden in 11/2006

Overall context of the XBRL project (2)

- Communication on better regulation
 - ☞ Joint responsibility between Member States and Commission
 - ☞ Suggests methods for simplifying Community law
 - ☞ General aim: reduction of administrative burden by 25%
- Communication on the reduction of response burden, simplification and priority setting
 - ☞ Selected areas of statistics for simplification (business statistics, Intrastat, Agriculture statistics, Social statistics)
 - ☞ Tools for simplification (EU sampling, use of administrative data, data warehouse approach, IT technologies)
 - ☞ Better priority setting in statistics

Background of the XBRL project (1)

- Opportunities coming up:
 - ☞ Adoption of IAS
 - ☞ Emergence of XBRL as standard way to present this information
- Task force on accounting and statistics – decision in 2004
 - ☞ To organise a stock taking survey on the use of XBRL in the NSIs and NCBs
 - ☞ To conduct a feasibility study on the extraction of statistical data from XBRL reports

Background of the XBRL project (2)

■ Results of the studies:

- ☞ Some MS advanced in using XBRL, most MS do not use it
- ☞ Positive comments from institutions using XBRL
- ☞ Considerable start-up costs but low running costs
- ☞ Use of XBRL depends on availability of taxonomies
- ☞ Special statistical taxonomies needed
- ☞ Potential of using XBRL should be explored
- ☞ Benefit in reduction of burden on enterprises
- ☞ Project is technically feasible

Objectives of the XBRL project

- Overall objective: explore the possibilities / the potential of exploiting XBRL reports for statistical reporting from enterprises to NSIs
- Specific objectives:
 - Mapping existing taxonomies
 - Monitoring developments in XBRL
 - Creating a statistical taxonomy
 - Testing the taxonomy in a live environment (real cases)
 - Testing the use of XBRL in statistical surveys (pull approach)

Implementation arrangements

- Creation of a task force on the XBRL project in 2005
- Involvement of the National Statistical Institutes of several Member States (BE, ES, NL, + IE, DE, UK, LU, PL, SE)
- Active Members – provide support to the development of taxonomies and real cases for testing
- Reporting to the task force on accounting and statistics
- Chosen statistical area: structural business statistics
- Relevance of this area to the pilot project

Experiences - 1st phase of the XBRL project (1)

- Inventory and analysis of relevant existing taxonomies
- Mapping between GAAP / IFRS and the SBS framework done
 - Many differences between local GAAPs across Europe
 - IFRS likely to be adopted in most countries
 - Local projects based on IFRS
- Decision to base taxonomy for SBS on IFRS
- Principle approach
 - Core elements common to all statistical frameworks
 - Domain specific modules (like SBS)
 - Local extensions

Experiences - 1st phase of the XBRL project (2)

- In practice:
 - Many concepts to be created from scratch
 - Concepts in accounting different from statistics
 - SBS regulation contains 7 annexes (general, industry, trade, construction, insurance, credit institutions, pension funds)
 - No IFRS on insurance and pension funds yet
 - Testing in ES: only 2 companies responded
 - Testing in BE: timetable did not fit, no real cases for tests
 - Testing in NL: only theoretical considerations, no real tests

Experiences - 1st phase of the XBRL project (3)

- Taxonomy for SBS concepts for primary data collection done but based on ES GAAP
- Testing the pull approach to data exchange – not possible because of lack of shared business models
- XBRL technology was evaluated as transport layer for the collection of statistical data by NSIs from reporting companies
- Suitability of XBRL technology depends strongly on acceptance in other technologies in the statistical production chain

Content of the 2nd phase of the XBRL project

- Development of new modules of the European XBRL taxonomy
 - Chosen statistical framework: short-term statistics in 4 sectors (industry, construction, retail trade, other services)
 - Inventory of relevant existing taxonomies and target business reporting frameworks
 - Mapping of their concepts to the statistical framework
 - Creating the European statistical taxonomy module
- Mapping existing XBRL instances to the European statistical taxonomy

Main problems

- No real testing of the SBS European taxonomy
- Difficult to find real cases = companies providing XBRL reports
- No interest from companies?
- Differences between concepts in accounting and statistics seem to be larger than expected, thus reduced benefits
- Biggest challenge – to create a large common taxonomy applicable for different purposes
- Difficulty is the taxonomy, not XBRL
- Good cooperation among administrations needed

Possible impacts and benefits from using XBRL

- Could trigger a harmonisation of concepts, definitions and standards in accounting, tax and statistics
- Could trigger improved cooperation among administrations
- Could strengthen the link between accounting standards and statistics, make them comparable
- XBRL – could be an efficient data transmission tool and help reducing the burden on enterprises
- Could trigger the development of common taxonomies for common data needs
- Question: why not yet achieved?